

# Peter Reynolds

## Rank Group Plc

Hard Rock

MILGGA

# Rank Gaming

## Who are we?

- One of the UK's largest gaming businesses
  - 122 Mecca Bingo Clubs
  - 32 Grosvenor Casinos
  - 2 Hard Rock Casinos
  - Blue Square internet gaming and sports betting
  - Over 11,000 employees in UK



# Gambling Deregulation Stated Government Objectives

- Protect children and the vulnerable
- Widen consumer choice
- No weakening of effective regulation, especially "harder forms of gambling as found in casinos"
- Strike a balance between gambling tables and machines
- Avoid proliferation of casino gambling on the high street

# Gaming Deregulation

## DCM S' Position Paper – the Curate's Egg

- Minimum of 5,000 sq ft for casinos
- Number of machines to have a “two-tier” structure
  - large casinos: unlimited slots
  - small casinos: 3 slots per table
- Linking only within casinos
- Regional planning will decide number and nature of casinos

# Gaming Deregulation

## DCM S' Position Paper – Rank's view

- Minimum of 5,000 sq ft for casinos
  - will avoid proliferation on the high street
- BUT, creating a two tier structure will have other consequences...

# Gaming Deregulation

## Problems with DCM S' Position Paper

- Increased risk of problem gambling
  - GamCare states that most issues are related to machines
  - Allowing unlimited slots will result in a greater total number of machines
  - It is the *number* not the *location* of machines which is important
  - Higher customer volumes in large casinos will make problem gambling more difficult to spot

# Gaming Deregulation

## Problems with DCM S' Position Paper

- Restrict consumer choice
  - customers in small casinos will be unable to win same levels of prize, despite same stake
  - small operators will be unable to offer a broad range of games, stake and prizes
  - limited machine numbers may result in congestion which will impact the service levels offered to customers

# Gaming Deregulation

## Problems with DCM S' Position Paper

- Encourage machine-dominated gambling sheds
  - Expectation that “destination” casinos will house over 2,000 slots
  - No balance with numbers of tables
  - Casinos become large, sterile “arcades”
  - US experience likely to be replicated if not controlled



# Gaming Deregulation

## Problems with DCM S' Position Paper

- Heavy reliance on Regional Development Authorities
  - No previous experience of controlling gaming
  - Clear relationship with Gambling Commission will be important
  - Must have statutory guidance from ODPM
  - Gambling Commission must have strong powers

# Gaming Deregulation

## A better framework

- Fixed ratio of machines per table, *irrespective* of size of casino
  - 8:1 maintains a good balance while allowing operators to broaden choice
  - lower than other deregulated markets (US - 15:1, Aus - 11:1)
  - lower number of machines in total
  - promotes better facilities for *all* gaming customers, not just in "large" casinos

# Gaming Deregulation

## A better framework

- Linking across casinos will allow all customers to play for large prizes
  - same products available in all casinos
  - maintains a “level playing field”
  - no evidence of problem gambling from progressive jackpots – National Game

# Rank Gaming

## The Opportunity

- 122 M ecca Bingo Clubs
  - 67 in non-permitted areas
  - c.30 possible conversions
- 34 UK Casinos
  - 2 additional licences granted
  - four single premises sites by end '04
- Blue Square internet gaming and sports betting
  - M eccagam es.com
  - HardRockCasino.com





# Rank Group

Hard Rock

MELCCA  
SINGAPORE